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FACTS ABOUT REHABILITATION LOANS

OF THE

Farm Security Administration

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UNITED STATES
DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
WASHINGTON, D. C.

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MANY farm families, who are having a hard time making a living, can get back on their feet if they are given a little financial aid and help in the problems of farm and home.

For these families, the Farm Security Administration carries on a rehabilitation program. As the Government uses the word, "rehabilitation" simply means helping a farm family to get a new start in the kind of farming which will make it self-supporting for good and all.

Many questions about rehabilitation are asked by farmers who are thinking of applying for such help. Here are the answers to the questions asked most often.

1. Do I have to be a farmer to get help from the Farm Security Administration?

Yes.

2. Do I have to own a farm?

No. Owners, tenants, croppers, and farm workers are all eligible to apply for loans.

3. What does "rehabilitation help" mean?

It means help for you in planning for a better farm and a home with better food and health. To aid you in carrying out your plan, small loans are made to buy livestock, seed, fertilizer, feed, tools, household equipment, temporary food and clothing needs, and necessary farm supplies.

4. What must I do to get this help?

You must own or be able to rent land on which you can make a living. If necessary, the FSA county supervisor may be able to help you find a suitable farm to rent.

If you are a tenant, you must be able to get a written lease for the period of the loan. Here again the county supervisor will do everything he can to help you.

Most important, you must be willing to work with the supervisor in making out and following a sound farm and home plan.

5. What is a "farm and home plan"?

It is your own plan or budget, which you and your family work out together with the farm and home

supervisors in your county. It outlines how your farm and your home should be operated during the coming year. A good plan, followed out, should raise as much as possible of your farm and home needs on your own farm, and at the same time, build up the land. It should also yield enough income to give a living for your family, meet your cash expenses, and make regular payments on your Government loan and any other debts:

6. Once the plan is worked out, do I still get help from the supervisors?

Yes. The county supervisor and the home supervisor keep in touch with you during the year, to help you make a success of your farm and home plan. The county supervisor discusses your farming problems with you. He can give you information on how to get the most out of your land, how to conserve the soil, and how to plan for the best crops and livestock. The home supervisor is a woman trained in home economics who helps you and your family in planning gardens, canning and storing food, and meeting other home needs.

7. If I get a loan, must I follow a farm and home plan?

Yes. A loan will be made only on your agreement to follow a sound plan. But the plan is your own—you work it out yourself with the help of the supervisors. Once the plan is made out, you must keep a record book which will show how nearly you are following your plan as you go along. Your plan, of course, can be changed if necessary; but unless it is changed you must do your best to follow it. By following it you will be able to make a better living, and be sure of paying off part of the loan each year.

8. What if my debts are so large that I could not possibly make a farm plan work?

In that case, you should ask the county supervisor to put you in touch with your local Farm Debt Adjustment Committee. It will try to work out some arrangement with your creditors.

9. Can I get an FSA loan if anybody else will loan me money?

No. Rehabilitation loans are made only to farm families who cannot get adequate credit anywhere else at reasonable terms.

10. Can I get a loan to refinance the mortgage on my present farm?

No. For that kind of loan, you should apply to your **local** National Farm Loan Association.

11. What do I put up as security for a rehabilitation loan?

The best security for your loan is a sound farm and home plan, because if that is followed your farm will be able to make enough extra income to pay off the loan. However, a mortgage is taken on all goods bought with the loan; and usually you must give the Government a lien on whatever chattels you may have, and on your coming crop.

12. How much time do I get to pay off the loan?

Anywhere from 1 to 5 years. Loans for livestock and equipment usually have to be paid back in 5 years, one-fifth of the amount being paid off each year. Loans to buy feed, seed, and supplies are usually paid back in 1 year, and always within 2 years. The time of repayments for your farm will be worked out as part of your farm plan.

13. How much interest will I have to pay?

Five percent a year, charged only while you are using the money.

14. Will it cost me anything to apply for an FSA loan?

No.

15. How do I apply for a loan?

Go to the Farm Security office for your county. If you do not know the address, the County Agricultural Agent can tell you.